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January 7, 2004

Honorable James H. Welsh,
Commissioner of Conservation
Office of Conservation
P. O. Box 94275
Baton Rouge, LA 70804-4275

Re: APPLICATION FOR PUBLIC HEARING

Additional Alternate Unit Wells

Hosston Zone, Reservoir A

HOSS RA SU117, HOSS RA SU118, and HOSS RA SU123

Cotton Valley Formation, Reservoir A

CV RA SU131, CV RA SU132 and CV RA SU139

Lower Cotton Valley Zone, Reservoir A

LCV RA SU00, LCV RA SUPP, and LCV RA SUPP

Elm Grove Field, Webster Parish, Louisiana

Dear Sir:

Application is hereby made on behalf of **CAMTERRA RESOURCES, INC.**, (Applicant), to the Commissioner of Conservation for a public hearing to consider evidence relative to the issuance of an Order pertaining to the following matters relating to the Hosston Zone, Reservoir A, Cotton Valley Formation, Reservoir A and the Lower Cotton Valley Zone, Reservoir A, Elm Grove Field, Webster Parish, Louisiana.

FOR THE HOSS RA SU117, CV RA SU131 AND THE LCV RA SU00:

1. To permit the applicant to drill, designate and utilize their Heron 29 No. 1 as an additional alternate unit well for the production of gas and condensate from the Hosston Zone, Reservoir A, Cotton Valley Formation, Reservoir A and the Lower Cotton Valley Zone, Reservoir A, in exception to the spacing provisions of the 361-A, 361-B and 361-E Series of Office of Conservation Orders, such unit and well shown on the attached plat and made a part hereof.
2. To permit the applicant to operate and report separately the production from the Hosston Zone, Reservoir A, the Cotton Valley Formation, Reservoir A, and the Lower Cotton Valley Zone, Reservoir A, from the proposed additional alternate unit well.

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FOR THE HOSS RA SU118, CV RA SU132 and LCV RA SUPP:

1. To permit the applicant to drill, designate and utilize their TLC 32 No. 1 Well and their Sewell 32 No. 1 Well, at legal locations, and their Johnson 32 No. 1 Well, their Gossett 32 No. 1 Well, and their Helm 32 No. 1 Well as alternate unit well in exception to the spacing provisions of the 361-A, 361-B and the 361-E Series of Office of Conservation Orders, as additional alternate unit wells for the production of gas and condensate from the Hosston Zone, Reservoir A, the Cotton Valley Formation, Reservoir A and the Lower Cotton Valley Zone, Reservoir A, such unit and wells shown on the attached plat and made a part hereof.
2. To permit the unit operator to downhole combine the production from the Hosston Zone, Reservoir A, the Cotton Valley Formation, Reservoir A, and the Lower Cotton Valley Zone, Reservoir A, in any well bore located within the units designated HOSS RA SU118, CV RA SU132 and the LCV RA SUPP.

FOR HOSS RA SU123, CV RA SU139 AND THE LCV RA SUUU:

1. To permit the applicant to drill, designate and utilize their Scherer 33 No. 1 Well, at a legal location, as an additional alternate unit well for the Hosston Zone, Reservoir A and the Cotton Valley Zone, Reservoir A, and their Rowell 33 No. 1 Well and their Talaferro 33 No. 1 Well in exception to the spacing provisions of the 361-A, 361-B and the 361-E Series of Office of Conservation Orders, as alternate unit wells for the production of gas and condensate from the Hosston Zone, Reservoir A, the Cotton Valley Formation, Reservoir A and the Lower Cotton Valley Zone, Reservoir A, such unit and wells shown on the attached plat and made a part hereof.

FOR THE HOSS RA SU117, CV RA SU 131, LCV RA SU00, THE HOSS RA SU118, CV RA SU132, LCV RA SUPP AND THE HOSS RA SU123, CV RA SU129, LCV RA SUUU:

1. To find that alternate unit well(s) is/are needed on each unit to assists in draining a portion of each unit that cannot be drained by any other well located therein.
2. To permit the unit operator to produce the assigned unit allowable from the unit well, the alternate unit well(s) or from a combination thereof at the discretion of the unit operator.
3. To consider and cover such other matters as the Commissioner of Conservation may deem pertinent and appropriate.

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The Hosston Zone, Reservoir A, was defined in the 361-A Series of Office of Conservation Orders, the Cotton Valley Formation, Reservoir A, was defined in the 361-B Series of Office of Conservation Orders and the Lower Cotton Valley Zone, Reservoir A, was defined in Office of Conservation Order No. 361-E, effective July 16, 1996, all in the Elm Grove Field, Bossier, Caddo and Webster Parishes, Louisiana.

The pertinent data pertaining to this application is available for inspection at the Offices of Bob F. Anderson, PE, Inc., 400 Travis Street, Suite 209, Shreveport, Louisiana 71101. Any person wishing to inspect such data should call Bob Anderson 318/425-4230 during normal business hours in order to arrange a date and time for such inspection. A copy of any such pertinent data that is otherwise not available from the Office of Conservation can be obtained **at the expense of the requesting party.**

The subject matter of this hearing does not require a pre-application notice.

Pursuant to the revised Rules of Procedure, Applicant has made a reasonable effort to obtain the names and addresses of all Interested Owners, Interested Parties and Represented Parties to whom this notice of this application is being sent. A copy of this letter and the attached plat is being sent to the District Manager of the Shreveport District Office of Conservation and to the Interested Owners, Represented Parties and the Interested Parties as shown on the attached list.

Attached hereto is our check, made payable to the Office of Conservation, to cover the applicable hearing fee.

Yours truly,



B. F. Anderson, PE for
CAMTERRA RESOURCES, INC.

cc: Mr. James Broussard, District Manager Shreveport District Office of Conservation
Interested Owners, Represented Parties and Interested Parties

